



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 5/20/2008

GAIN Report Number: TH8079

Thailand

Grain and Feed

Weekly Rice Price Update

2008

Approved by:

Gary Meyer, Agricultural Counselor
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

Domestic and export prices increased by 4-10 percent from the previous week due to last week's white rice sale of 200,000 tons to the Malaysian Government. Prices are expected to fluctuate in the following weeks due to uncertainty over the government's ability to replenish intervention stocks by sourcing paddy from the market at current intervention prices.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending May 20):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,140	-	-	-	1,200	1,200	1,200	1,185	1,175
WR 100 B	950	-	-	-	940	1,090	1,000	995	968
PB 5%	-	-	-	-	950	1,080	1,090	1,040	1,033
WR 5%	920	-	-	-	920	1,080	990	978	950
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	-	-	-	-
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	710	-	-	-	780	-	840	777	760
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 32.0 baht/U.S.\$									

Market Tone

Domestic and export prices increased by 4-10 percent from the previous week due to last week's white rice sale of 200,000 tons to the Malaysian Government (TH8074). The sale led to a surge in domestic prices by around 1,000 – 1,500 baht/ton (\$31-\$47/MT). This contract, which was facilitated by the Thai Government, will be divided among Thai exporters who are members of the Rice Exporters Association and will be based on historical export performance.

Prices are expected to fluctuate in the following weeks due to uncertainty over the government's ability to replenish intervention stocks by sourcing paddy from the market at intervention prices of around 14,000 baht/ton (\$438/MT) for white rice paddy. It is unlikely that the Public Warehouse Organization (PWO) of the Ministry of Commerce will be able to buy paddy from farmers (given available credit lines at 5% interest rate) due to the concern that the PWO committee might not have the necessary authority to buy paddy. The PWO may face losses from a possible contraction in market prices and growing debt burden with the Bank for Agricultural and Agricultural Cooperatives (BAAC) who provides the loan to PWO to run this buyback program.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
MAR 30	238,638	206,698	2,326	1,122	107.4
APR 6	175,536	202,861	2,502	1,234	102.7
APR 13	157,439	193,917	2,659	1,359	95.6
APR 20	85,612	164,306	2,745	1,472	86.5
APR 27	169,952	147,135	2,915	1,608	81.3
MAY 4	135,461	137,116	3,050	1,685	81.0
MAY 11	137,226	132,063	3,188	1,795	77.6
MAY 18	187,581	157,555	3,375	1,902	77.4

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for May 12 - 18, 2008 totaled 187,581 tons, up 50,355 tons from the previous week, and up 30,026 tons from the four-week moving average of 157,555 tons. Exports during Jan. 1 – May 11, 2008 totaled 3,375,247 tons, as compared with 1,902,220 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Mar. 31, 2008, amounted to 3,254,946 tons, up 66.7 percent from 1,952,388 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Apr. 28 – May 2, May 5-9, and May 12-16, 2008 are as follows:

Movement (MT)	Apr. 28 – May 2	May 5-9	May 12-16
Weekly sales	175,315	228,984	187,851
4 week sum	588,769	630,000	700,448
4 week mov. avg.	147,192	157,500	175,112
Total weekly sales	3,226,657	3,455,641	3,643,492

End of Report.